

FINANCIAL MANAGEMENT 2.0

Fund Control -- 2.11

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POLICY

Any clinic site that maintains a change fund, i.e., County Health Departments or Regional Office Clinics, must appoint a Change Fund Custodian. In cases of large clinic operations, more than one custodian may be appointed.

APPLICABILITY

This policy applies to Local Health Department and Regional Office personnel.

PURPOSE

To insure control of funds.

PROCEDURE

The County Director or Regional Director shall appoint a Change Fund Custodian when change funds are maintained for transacting receipts for services to patients.

The following procedures will serve as responsibilities of the Change Fund Custodian:

1. A cash box with key locking capability will be used to store the change fund.

2. A file cabinet or secure storage facility will be used to secure the locked cash box after business hours or the night deposit at the bank may be used to store the funds after business hours.
3. The cash box will be secured by the Change Fund Custodian during business hours and will be locked and stored as specified in #2 above when not in use.
4. The change fund and any funds not deposited at the end of the business day shall be secured as specified in #2 above.
5. The change fund amount will be reconciled each time a production cash drawer is run, with any differences noted on the CD, dated and signed, and reported to the Regional Office. Significant shortages are then reported to the Office of Audit and Investigations. See Policy 2.9 for final cash drawer procedures.
6. The money deposited will match the CD in that the cash received equals cash deposited and checks received equals checks deposited.
7. The change fund shall be restricted for making cash change to patients when paying for services rendered. No other transactions, i.e., cashing checks for employees or giving change for any reason except as listed, shall be allowed.
8. All payments received through the mail will be logged on a **Check Log** and restrictively endorsed by stamping "For Deposit Only to the Treasurer State of Tennessee" immediately upon receipt by designee as outlined in segregation of duties plan.
9. All checks received at the front counter shall be written for the exact amount owed or a portion thereof to the Treasurer State of Tennessee and stamped as outlined in #8 above.
10. Check returned for insufficient funds will be handled according to procedures outlined by the Division of Fiscal Services of the Department of Health.
11. Voids, refunds, debit or credit memos and payment corrections require an explanation and superior approval, with signature and date as documentation. This will be kept for audit purposes.
12. Employees having access to cash funds are identified.
13. No refund can be given after funds have been receipted except by using **Claim for Refund Form FA-0765**. See Policy 2.7.g for refund procedures.
14. A **Change Fund Accounting Memorandum** shall be used to document and report to the Division of Fiscal Services of the Department of Health the amount of the change fund and the current custodian. Any time the Change Fund Custodian is changed, the **Change Fund Accounting Memorandum** must be updated and resubmitted to the Division of Fiscal Services.
15. Any shortage in the change fund resulting from a theft or a series of thefts will be reported immediately to the Regional Accountant who will immediately notify the Office of Audit and Investigations. A **Lost or Stolen Property Report, PH-1766**, will be filed, along with a copy of the Police Report, to the Office of Audit and Investigations who will forward

the report to Division of Fiscal Services of the Department of Health for replenishment of the change fund.

NECESSARY FORMS

1. Change Fund Accounting Memorandum
2. Check Log
3. Claim for Refund Form FA-0765
4. Lost or Stolen Property Report, PH-1766

REFERENCE DOCUMENTS

T.C.A. 9-4-301

OFFICE OF PRIMARY RESPONSIBILITY

Fiscal Services Section, Bureau of Health Services, (615)741-7305

See Policy 2.9 for depositing funds and cash drawer procedures.